

**COMMONWEALTH OF KENTUCKY
DEPARTMENT OF INSURANCE**

AGENT LICENSING DIVISION

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**AGENT
INDIVIDUAL NON-RESIDENT
LICENSING PROCEDURES AND INFORMATION**

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This document is for general information purposes only. It does not amend or precede provisions of the Kentucky Revised Statutes or Administrative Regulations. For more complete information, refer to the Kentucky Insurance Code.

The Kentucky Department of Insurance issues one license with several “lines of authority” to the agent. This one agent license lists all of the kinds of insurance that the agent is qualified to sell in Kentucky, which means the agent license may list any one or more lines of authority from either or both of the following lists:

- Casualty
- Health
- Life
- Personal Lines
- Property
- Variable Life and Variable Annuity

Or limited lines of authority

- Credit
- Crop
- Surety
- Travel

Further, this one agent license is the basis for appointments with all kinds of insurers that are approved to sell one or more of the lines of authority listed on the agent’s license.

Changes to the law in 2002 separated the agent license from the appointments. This means the agent may hold a license without an appointment as long as the agent fulfills any financial responsibility and continuing education requirements, confirms certain information at the time of license renewal, and pays the applicable license renewal fees. However, the agent cannot exercise the agent license, by selling, soliciting, or negotiating insurance, without an appointment with the insurer(s) with whom he/she intends to transact business.

Exceptions to Agent License – Briefly, the requirement to be licensed as an agent does not apply to

- Employee of an insurer or an insurance producer under specific circumstances if the employee does not receive any commission;
- Individual who furnishes information to or helps enroll persons in group plans and does not receive any commission;
- Representative of an employer, association, or trust who is administering an insured benefit program for employees or members and who does not receive any commission, directly or indirectly;
- Employee of an insurer who classifies risks or supervises insurance producers and is not selling, soliciting, or negotiating insurance;
- Person whose multi-state, mass media advertisement is inadvertently distributed in Kentucky;
- Person whose activities involve a policy sold in another state if the policy just happens to cover risks in Kentucky; and
- Salaried full-time employee who advises the employer relative to the insurance and does not receive any commission.

Specific details of these limited exceptions are found in KRS 304.9-090.

Note: A business entity must have an agent license in order to receive commission either directly or indirectly.

WARNINGS

Notice of Action Against License – Every licensee must notify the Department of Insurance in writing within 30 days of initiation of

- **Disciplinary action** taken by any jurisdiction against the license or any other professional license; or
- **Criminal action** taken by any jurisdiction against the licensee.

Address Change or Name Change – Every licensee must notify the Department, in writing, of any change in residence address, business address, or legal name within 30 days of the change. Agents (individual or business entity), surplus lines brokers, rental vehicle agents and managing employees, managing employees, reinsurance intermediary brokers, and reinsurance intermediary managers are subject to a penalty up to \$1,000 for failure to do so. Adjusters, administrators, life settlement brokers, life settlement providers, and consultants are subject to a penalty up to \$2,000 for failure to do so.

- **Address changes** should be submitted on Record Correction **Form 8303** either electronically through eServices (<http://insurance.ky.gov>) or by mailing in the **Form 8303** to the DOI. (Moving from Kentucky to another state may require surrendering the resident license and applying for non-resident license. Also moving to Kentucky from another state may require surrendering the non-resident license and applying for a resident license.)
- **Name changes** should be submitted on Record Correction **Form 8303** either electronically through eServices (<http://insurance.ky.gov>) or by mailing the **Form 8303** with pertinent legal documentation approving the name change, including any amendments filed with the Kentucky Secretary of State.
- **Mailing address for the DOI:**

Department of Insurance
Agent Licensing Division
Post Office Box 517
Frankfort, KY 40602-0517

Change of Home State – A non-resident licensee who changes his or her home state to a state other than Kentucky must file a change of address **Form 8303** within 30 days of the change. No fee or license application is required.

Loss of Home State License – A Kentucky non-resident license based on reciprocity will automatically terminate and must be surrendered to the Department if the home state license terminates for any reason.

MISCELLANEOUS INFORMATION

Notice of Commissioner's Order – Every licensee is deemed to have received any notice or order of the commissioner mailed to the licensee's address on file with the Department.

Licensee's Office Open to Public – If Kentucky is the home state, the licensee is required to

have and maintain an office in Kentucky that is accessible to the public, and that is the place where the licensee principally conducts transactions under the license. This requirement does not prohibit the licensee from maintaining this office in the office of an insurer, in the office of the employer, or in the home of the licensee. (Kentucky is the home state if the licensee has a Kentucky resident license or has a Kentucky principal place of business and does not hold a resident license in another state.)

Display of License and Retention of Records –The license of all licensees must be conspicuously displayed in each Kentucky place of business in a location customarily open to the public. In addition, complete records of transactions under the license must be kept at the place of business for at least five years after completion of the purpose for which it was created. [KRS 304.9-390 and 806 KAR 2:070]

Service of Process – All non-resident licensees are deemed to have irrevocably appointed the Kentucky Secretary of State to receive service of process in any court action against the licensee arising out of transactions under the Kentucky license.

Designations – A licensed business entity can only exercise its license through a designated individual. Each designated individual has to hold the same kind of license as the business entity. Further, the designated individual may only exercise the business entity license for the lines of authority held in common by both the business entity and the individual. Designated individuals for resident business entity must hold active license and at least one active insurer appointment. A non-resident business entity may designate its first actively licensed designee without him or her being appointed with an insurer; however, any subsequent designees must be appointed with an insurer.

Each licensed business entity must file with the Department:

- **Form 8305 – Notice of the designation** of an individual within 30 days of the designation or termination of the designation; and
- **Biennial report** by January 31, each odd year, of all designated individuals whose designations are not terminated prior to January 1. (The Department will provide the format to be used for this report.)

Certification / Clearance Letter from Kentucky Department of Insurance – If an applicant for a license in another state holds or has held a Kentucky resident license, the other state may require a letter from the Kentucky Department of Insurance. A certification letter states that the license is active and in good standing in Kentucky (needed to license a Kentucky resident licensee as a non-resident licensee in another state). A clearance letter states that the former licensee was in good standing at the time the Kentucky license terminated (needed to license a former Kentucky resident licensee as a resident licensee in another state). Kentucky has combined these two letters:

- If the license is active, the letter will serve as a certification letter for the current license activity; and
- If the license is no longer active, the letter will indicate the last date of license and the date it became inactive, thus serving as a clearance letter.

Each letter must be requested online at <http://insurance.ky.gov>. Click **eServices** to set up a password-protected account, and complete the Certification/Clearance Letter Request Form.

Complete the licensee's full name, identification number (the licensee's Social Security number, Federal Employer Identification Number, or Department of Insurance identification number), and type of letter needed. Also, the licensee must indicate where the processed paperwork should be mailed, by providing the correct address on the request. Fees may be paid by credit or debit card online, or make check payable to the "Kentucky State Treasurer" in an amount of \$5 for each letter requested. The fee must be included with the request.

Certification / Clearance Letters to Kentucky Department of Insurance – Kentucky no longer requires a letter (only verification through the NAIC Producer Database) from the other state if the applicant for a Kentucky license holds or has held a resident license in the other state.

Request for Kentucky Non-resident License:

- Kentucky will verify electronically through NAIC Producer Database, that the non-resident applicant is licensed and in good standing in the resident state.
- A non-resident individual or business entity, which has a Kentucky non-resident license and changes its home state, must file Record Correction **Form 8303**.

Request for Kentucky Resident License:

- Kentucky will verify electronically through NAIC Producer Database, that the non-resident applicant is no longer licensed in the other state.

Purchase of Kentucky Insurance Code – Because there is so much involved in the licensing and the legal requirements imposed on a licensee, the Department suggests that every licensee get a copy of the current edition of the *Kentucky Insurance Laws and Regulations*. This Kentucky insurance code can be purchased through the Department of Insurance. It will provide a better understanding of Kentucky insurance laws and procedures. In the alternative, the licensee may access Kentucky's insurance laws and administrative regulations through the Legislative Research Commission Web site at www.lrc.ky.us under "Legislative Resources."

Forms and Additional Information – Kentucky-specific applications and most other forms for all licensees are available through the Department's Web site at <http://insurance.ky.gov> under the "Agent Licensing" section of the menu titled "Licensee Procedures, Forms and Information." Also visit this Web site for additional information on all types of licenses, as well as verification of license status, continuing education credit, appointment, designations with business entities, etc. The Licensing Division is also available to provide information and answer questions through its e-mail address at DOI.AgentLicensingMail@ky.gov or by telephone at 502-564-6004.

The National Association of Insurance Commissioners (NAIC) uniform applications for non-residents may be obtained through National Insurance Producer Registry (NIPR) Web site address at www.nipr.com.

INDIVIDUAL NON-RESIDENT AGENT

Non-residents may be licensed as agents in Kentucky by submitting the appropriate application and meeting the applicable requirements

- For reciprocity under KRS 304.9-140 if the applicant holds an agent license with the same or substantially similar lines of authority in a reciprocal state; or
- For a resident if the applicant is not licensed as an agent in a reciprocal state or if Kentucky is the home state. (See the requirements in the information summary concerning the resident agent licensing requirements.)

QUALIFICATIONS for RECIPROCITY (KRS 304.9-140) – unless denied a license under KRS 304.9-440, the non-resident applying for an agent license must:

- Hold an agent license (with the same lines of authority being requested in Kentucky) as a resident in the home state and be in good standing;
- Hold the resident license from a home state that awards non-resident licenses to Kentucky residents on the same basis;
- Submit the proper request for license; and
- Pay the applicable fees.

APPLICATION – The applicant is required to certify, under penalty of perjury, that the application for the license is true. Further, the Department must receive the following to process the individual's application:

- ☐ **NAIC Uniform Individual Application** (completed in its entirety and attaching the appropriate information) or electronically at www.nipr.com
- ☐ If using assumed name, copies of Certificate of Assumed Name filed with each Kentucky County Clerk where the applicant intends to transact business
- ☐ All applicable non-refundable fees

TO ADD ADDITIONAL LINES OF AUTHORITY –

- **Held in Home State** – Once the licensee has a non-resident agent license through reciprocity, the agent may add other lines of authority by repeating the non-resident application process if the new lines of authority are included in the home state license.
- **Not Held in Home State** – If the new lines of authority are not included in the home state license, the agent will have to qualify for the new lines of authority like a Kentucky resident including the completion of any required pre-licensing training and any required examination. (See the information summary concerning the resident agent for details.)

FEES – The license fee for the first-time non-resident individual applicant is \$50 for the agent license plus an additional \$50 for each line of authority.

PRELICENSING TRAINING – N/A

EXAMINATION – N/A

FINANCIAL RESPONSIBILITY – N/A

APPOINTMENT – In order to exercise the license, the agent, individual or business entity must obtain **at least one appointment** with an admitted insurer for that line of authority in order to transact business in that particular line of authority. Prior to appointment, the insurer must confirm through investigation that the named applicant has not been convicted of any felony offense involving dishonesty or a breach of trust and has not been convicted of a fraudulent insurance act, unless the applicant has received written consent from the commissioner. The agent may get appointments with additional insurers at any time that the insurer files with the Department of Insurance:

- Appointment – **Form 8302-AP**; and
- Applicable nonrefundable fees, if any.

No agent shall claim to be an agent or representative of, or imply a contractual relationship with, a particular insurer, or place applications for insurance with an insurer unless the agent becomes an appointed agent of the insurer and the agent's appointment has been approved. An agent may become licensed but may not exercise the license by selling, soliciting, or negotiating insurance until he or she has been appointed.

Appointment fees for each foreign or alien insurer as well as each health maintenance organization, limited health service organization, fraternal benefit society, or KRS Chapter 304 Subtitle 32 corporation represented, are

- Property, personal lines, and casualty lines of authority of agent, \$50;
- Life, health, and variable life and variable annuity lines of authority of agent, \$50; and
- All other lines of authority of agent, \$50 each.

(The fee for a bundle of lines of authority is \$50 only if the lines of authority are applied for at the same time on the same appointment form.)

APPOINTMENT RENEWAL – Appointments are renewed biennially by March 31 through appointing insurers. Each insurer receives a list from the Department, in a format prescribed by the commissioner, showing all agents with active appointments as of December 31 of the preceding calendar year. (The insurer is responsible for terminating any appointment prior to December 31 if the insurer does not want to pay the renewal fee for that agent. Further, the insurer must give written notice to any agent who is terminated or not renewed within 30 days of the termination or non-renewal.) The insurer must pay the appointment renewal fee no later than March 31 for each agent on the list from the Department as follows:

- Odd-numbered years for life and health insurers, including health maintenance organizations, limited health service organizations, fraternal benefit societies, and Subtitle 32 corporations; and
- Even-numbered years for all other insurers.

AGENT REPRESENTATIVE – A licensed agent who is authorized to sell, solicit, or negotiate insurance by holding at least one active appointment may act as a representative of an insurer without being appointed for 15 days from the date the first insurance policy application is executed. The agent representative must receive acknowledgement of approval of appointment within 15 days from the date the first insurance policy application is executed; otherwise, the agent must discontinue acting as an agent for that insurer until the approval has been received.

LICENSE RENEWAL –

Renewal of the license is the sole responsibility of the licensee. Renewal fees are as follows:

- Agent with one or more active appointments No fee
- Agent with no active appointments \$50

License is renewed online.

- **Renewal Notification is mailed** to the current address of record filed with the Department at least 30 days before the renewal deadline, and posted to the Web site six months prior to the renewal.
- **Confirmation** of renewal information is available on our Web site at <http://insurance.ky.gov> at **eServices**.
- **Renewal Period** is based solely on the licensee's birth date.
- **Renewal Deadline** is no later than the last day of the birth month in even numbered years if born in an even year, or odd numbered years if born in an odd year.

Each licensee must:

- **Renew online through eServices at <http://insurance.ky.gov> or www.nipr.com.**

The licensee may check the Department's Web site to confirm that the license has renewed.

Failure to Renew License by Deadline – If the Department does not receive the license renewal invoice and any required fees by the deadline, the license will be automatically terminate as of the deadline. The licensee will be prohibited from transacting insurance business until the license is reissued.

However, if the licensee submits the renewal invoice, the late renewal penalty payment, and any required renewal fees within 60 days after the deadline, the license may be reissued without the need for a new license application or other documentation. Upon expiration of the 60 days, the license will be inactive. Note that there will be a gap in the license (and any appointments) from the inactive date until the date the Department receives and approves a reinstatement application with required attachments.

CONTINUING EDUCATION – All individual agents who received their license through reciprocity and who have met the continuing education requirements of their home state are deemed to have complied with Kentucky's continuing education requirements.

REISSUE OF TERMINATED LICENSE – The former licensee must submit a newly completed license application with all required attachments and pay the applicable non-refundable fees. Insurers must file a new appointment **Form 8302-AP**, with the applicable fees.

AGENT LICENSING DIVISION
GUIDELINES FOR PROCESSING LICENSING APPLICATIONS WITH
NEGATIVE BACKGROUND INFORMATION
APPROVAL / DENIAL/PROBATION

Initial Application

1. Have you ever been convicted of a crime, had a judgment withheld or deferred, or are you currently charged with committing a crime?

Yes_____ No_____

“Crime” includes a misdemeanor, felony or a military offense. You may exclude misdemeanor traffic citations or convictions involving driving under the influence (DUI) or driving while intoxicated (DWI), driving without a license, reckless driving, or driving with a suspended or revoked license and juvenile offenses. “Convicted” includes, but is not limited to, having been found guilty by verdict of a judge or jury, having entered a plea of guilty or nolo contendere, or having been given probation, a suspended sentence or a fine.

If you answer yes, you must attach to this application:

- a) a written statement explaining the circumstances of each incident,
- b) a copy of the charging document, and
- c) a copy of the official document which demonstrates the resolution of the charges or any final judgment.

If you have a felony conviction, have you applied for a waiver as required by 18 USC 1033?

N/A__ Yes __ No__

If so, was that waiver granted? (Attach copy of 1033 waiver approved by home state.)

N/A__ Yes__ No__

Renewal Application

1. Since the last home state renewal, have you been convicted of, or are you currently charged with, committing a crime, whether or not adjudication was withheld? Yes__ No__

Agent Licensing checks to make sure all three of the above-mentioned requests are attached to the application. When all documentation is complete, the application goes to “review.” Details on what exactly is needed are as follows:

- a written statement explaining the circumstances of each incident (Must be VERY detailed – complete explanation – not just three or four sentences.)
- a copy of the charging document (police citation, indictment, warrant, or other court document you received when charges were made).
- a copy of the official document which demonstrates the resolution of the charges or any final judgment (court document showing final judgment of conviction, diversion agreement, or final court order signed by judge).
- If these documents are no longer available from the court office, then a letter must be submitted from that court office stating they have been destroyed, OR a computer printout from the court office that is “certified” by a court employee may be submitted in lieu of the original documents.

Initial Application

2. Have you or any business in which you are or were an owner, partner, officer or director, or member or manager of limited liability company ever been involved in an administrative proceeding regarding any professional or occupational license, or registration?

Yes_____ No_____

Renewal Application

2. Since the last home state renewal, have you or any business in which you are or were an owner, partner, officer, or director ever been involved in an administrative proceeding regarding any professional or occupational license?

“Involved” means having a license censured, suspended, revoked, canceled, terminated; or being assessed a fine, a cease and desist order, a prohibition order, a compliance order, placed on probation or surrendering a license to resolve an administrative action. “Involved” also means being named as a party to an administrative or arbitration proceeding which is related to a professional or occupational license. “Involved” also means having a license application denied or the act of withdrawing an application to avoid a denial. You may **EXCLUDE** terminations due solely to noncompliance with continuing education requirements or failure to pay a renewal fee.

If you answer yes, you must attach to this application:

- a) *a written statement identifying the type of license and explaining the circumstances of each incident,*
- b) *a copy of the Notice of Hearing or other document that states the charges and allegations, and*
- c) **a copy of the official document which demonstrates the resolution of the charges or any final judgment. (consent decree, agreed order, stipulation agreement, or letter from state issuing penalty)**

Agent Licensing checks to make sure all three of the above-mentioned requests are attached to the application. If not, Agent Licensing writes back to the applicant to obtain these records. After receiving all attachments, the application goes to “review.”

Initial Application

3. Has any demand been made or judgment rendered against you or any business in which you are or were an owner, partner, officer, or director, or member or manager of a limited liability company, for overdue monies by an insurer, insured or producer, or have you ever been subject to a bankruptcy proceeding? **Do not include personal bankruptcies, unless they involve funds held on behalf of others.** Yes_____ No_____

If you answer yes, submit a statement summarizing the details of the indebtedness and arrangements for repayment, and/or type, date, and location of bankruptcy.

Agent Licensing reviews all documentation on demand, judgment, or bankruptcy. The applicant is contacted if additional documentation is required for determination. If there is a bankruptcy other than personal, Agent Licensing requests that the “Discharge of Debtor” is attached to application with a brief explanation of reason for bankruptcy. Also, if the bankruptcy happened within the last 2 years, a list of creditors must be supplied. Agent Licensing accepts faxed copies.

- **NOTE relative bankruptcies:**

- Do not include personal debt such as credit cards, mortgages, hospital bills, automobile debts.
- This answer requires that you reveal business bankruptcies.

- 4. Have you been notified by any jurisdiction to which you are applying of any delinquent tax obligation that is not the subject of a repayment agreement? Yes_____ No_____**
If you answer yes, identify the jurisdiction(s):_____

According to KRS 304.9-440 (1)(o) and other applicable state law, the Department denies any applicant who has delinquent tax obligation that is not the subject of a repayment agreement in Kentucky. However, we will keep the application in a pending status for an extended period of time to allow applicant to contact Kentucky Revenue Cabinet and set up a repayment agreement. It may be necessary to issue an agreed order of probation for the same period of time it takes to repay the obligation to the State. Once the agreed order is signed by the applicant and the commissioner, the application will be processed.

Initial Application

- 5. Are you currently a party to, or have you ever been found liable in, any lawsuit, arbitration, or mediation proceeding involving allegations of fraud, misappropriation or conversion of funds, misrepresentation or breach of fiduciary duty? Yes_____ No_____**

If you answer yes, you must attach to this application:

- a) a written statement summarizing the details of each incident, (*Written statement giving full details of each incident involving allegations of fraud, misappropriation or conversion of funds, misrepresentation or breach of fiduciary duty.*)**
- b) a copy of the petition, complaint or other document that commenced the lawsuit or arbitration, or mediation and**
- c) a copy of the official document which demonstrates the resolution of the charges or any final judgment.**

Agent Licensing checks to make sure all three of the above-mentioned requests are attached to the application. If not, Agent Licensing writes back to the applicant to obtain these records. After all documentation is received, application goes to “review.”

Initial Application

- 6. Have you or any business in which you are or were an owner, partner, officer or director, or member or manager of a limited liability company, ever had an insurance agency contract or any other business relationship with an insurance company terminated for any alleged misconduct? Yes_____ No_____**

If you answer yes, you must attach to this application:

- a) a written statement summarizing the details of each incident and explaining why you feel this incident should not prevent you from receiving an insurance license, and**
- b) copies of all relevant documents.**

Agent Licensing checks to make sure all of the above-mentioned requests are attached to the application. If not, Agent Licensing writes back to the applicant to obtain these records. After all documentation is received, application goes to “review.”

Initial Application

- 7. Do you have a child support obligation in arrearage? Yes_____ No_____**

If you answer yes,

- a) by how many months are you in arrearage?**
- b) are you currently subject to and in compliance with any repayment agreement?**

**c) Are you the subject of a child support related subpoena warrant?
(If you answered yes, provide documentation showing proof of current payments or an approved repayment plan from the appropriate state child support agency.)**

Agent Licensing requires applicant to submit official documentation showing that child support payments are being made. This may be a computer printout from court-ordered overseer of the account, or a copy of pay stubs showing automatic withdrawal of child support payments.

NOTES:

- Our primary goal is to process application without infractions and applications with legal background infractions that are not serious within one to two business days. The Division's business history indicates that most documents can be successfully processed within that timeframe.
- Any time a background infraction is disclosed, the review may require additional days to process. Based on the charges, the application may be pending review for several weeks, even several months. Occasionally, it is necessary to contact other attorneys or court offices to obtain all the information we need to make a fair judgment.
- A decision for application is never made by discussing background infractions by phone prior to application. All background infractions are reviewed individually, on a case-by-case basis.